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R 201453Z FEB 86 FM AMEMBASSY HELSINKI TO SECSTATE WASHDC 7946 AMEMBASSY MANAGUA

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UNCLAS SECTION 01 OF 04 HELSINKI 00837

E.O. 12356: N/A

TAGS: PREL, NU, US, FI

SUBJECT: FINNISH MP'S IMPRESSIONS OF NICARAGUA

1. THE FOLLOWING IS EMBASSY TRANSLATION OF THE ENTIRE TEXT OF TWO ARTICLES ON U.S. POLICY IN NICARAGUA PUBLISHED FEBRUARY 15 AND 17 IN THE SWEDISH-LANGUAGE DAILY "HUFVUDSTADSBLADET" BY KAJ BAERLUND, A SOCIAL DEMOCRATIC MEMBER OF PARLIAMENT AND PROMINENT FINLAND-SWEDISH TRADE UNIONIST, WHO VISITED NICARAGUA MOST RECENTLY JANUARY 23-27 WITH SEVERAL COLLEAGUES. HE PREVIOUSLY VISITED THE COUNTRY IN NOVEMBER 1982 AND WROTE HIS IMPRESSIONS AT THAT TIME IN THE SAME NEWSPAPER.

"NICARAGUA'S WAY TO DEMOCRACY" (FEBRUARY 15, 1986)

-- IN 1982, THE DEBATE ON NICARAGUA'S FUTURE POLITICAL SYSTEM WAS LIVELY WITHIN THE COUNTRY, BUT PERHAPS ESPECIALLY OUTSIDE IT. THE REAGAN REGIME IN THE U.S. MOTIVATED ITS INCREASINGLY AGGRESSIVE ATTITUDE TO THE SANDINISTAS IN NICARAGUA WITH THEIR ALLEGED TOTALITARIAN TENDENCIES. FOR THEIR PART, THE SANDINISTAS PROMISED TO ARRANGE PUBLIC AND GENERAL ELECTIONS AT THE LATEST BY 1985.

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-- THE U.S. POSITION ON THE SANDINISTAS SHARPENED ALL THE MORE DURING THE REAGAN ADMINISTRATION. THE SANDINISTAS WERE BRANDED AS A PART OF THE SOVIET UNION'S, AS IT WAS CALLED EXPANSIONIST AMBITIONS IN THE REGION. AGAINST SUCH A MADE-UP BACKGROUND, THE USG, WITH THE HELP OF THE CIA, INCREASED ITS SUPPORT TO THE COUNTER-REVOLUTIONARIES, THE SO-CALLED CONTRAS. THE CONTRA TROOPS OPERATED WITH THE BORDERLANDS HONDURAS AND COSTA RICA AS BASES.

-- IN A SITUATION OF ESCALATING WAR, GENERAL ELECTIONS WERE CARRIED OUT IN NICARAGUA IN NOVEMBER 1984. JUST BEFORE THE ELECTIONS, THE EXTREME RIGHT-WING PARTIES

WITHDREW FROM THE ELECTIONS WITH THE ACCUSATION THAT THE ELECTIONS WOULD NOT BE HONEST. SEVERAL OPPOSITION PARTIES BOTH TO THE RIGHT AND LEFT OF THE SANDINISTAS DID HOWEVER TAKE PART.

- -- THE ELECTION WAS MONITORED BY AN ABUNDANCE OF INTERNATIONAL OBSERVERS, AMONG OTHERS A WHOLE NUMBER OF FINNS. PRACTICALLY ALL CONSIDERED THE ELECTION AS EXCEPTIONALLY WELL-ARRANGED AND HONEST, ESPECIALLY AGAINST THE BACKGROUND OF EXPERIENCE IN THE REGION. THE SANDINISTAS RECEIVED SLIGHTLY OVER TWO-THIRDS OF THE VOTES BOTH IN THE PRESIDENTIAL ELECTIONS AND THE ELECTIONS FOR THE LEGISLATIVE ASSEMBLY, THE PARLIAMENT.
- -- DURING OUR VISIT NOW IN JANUARY, WE HAD THE POSSI-BILITY TO ENGAGE IN RATHER DETAILED CONVERSATIONS WITH LEADERS FOR THE PARTIES IN PARLIAMENT. CHARACTERISTIC WAS THE FACT THAT THE CONSERVATIVES, THE CHRISTIAN SOCIALISTS, AND THE SANDINISTAS WERE IN AGREEMENT ON MANY BASIC QUESTIONS. THE UNCLASSIFIED

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REPRESENTATIVE'FOR THE CONSERVATIVES ACTUALLY ASSERTED IN HIS OUTLINE OF THE DISCUSSION THAT THE GREATEST PROBLEM WAS THAT "THE SANDINISTAS HAD THE MAJORITY."

- -- THE SOCIAL INSTITUTIONS STILL HAVE TODAY A POST-REVOLUTIONARY STAMP. THERE ARE COURTS MEANT FOR TRIALS OF THE SOMOZA REGIME'S SYMPATHIZERS. THE GOVERNMENT HAS A DOMINANT POSITION VIS-A-VIS THE PARLIAMENT. THE COUNTERREVOLUTION, FINANCED BY THE U.S., HAS LED TO A STATE OF EMERGENCY AND PRESS CENSORSHIP. IN VIEW OF THE CIRCUMSTANCES, THESE CONDITIONS ARE HARDLY SURPRISING OR UNIQUE.
- -- THE FACT IS THAT IN ANY CASE THE PROCESS OF DEMOCRATIZATION IS CONTINUING, DESPITE THE WAR. SINCE THE ELECTION FOR A LITTLE OVER A YEAR AGO, REPRESENTATIVES FOR PARLIAMENT HAVE VISITED A NUMBER OF COUNTRIES IN LATIN AMERICA AND WEST EUROPE TO STUDY MODELS FOR A NEW DEMOCRATIC CONSITUTION. IT IS A COMPLETELY NEW TASK IN A LAND WHICH HAS BEEN GOVERNED BY DICTATORS OR DIRECT BY THE MILITARY FROM THE U.S. UNDER THIS WHOLE CENTURY.
- -- THE TIMETABLE JUST NOW IS THAT THEY ARE TRYING TO GET THE NEW CONSTITUTION ADOPTED WITHIN ABOUT ONE YEAR. THERE ARE OBVIOUSLY SMALLER DIFFERENCES BETWEEN THE PARLIAMENTARY PARTIES ABOUT THE PROCEDURE FOR PREPARING THE CONSTITUTION, BUT THEY DO NOT APPEAR IRRECONCILABLE. THE MOST THAT APPEARS TO BE UNDER DISCUSSION IS WHETHER ONE NEEDS A FORMAL PLEBISCITE TO PLACE THE DOT OVER THE I OR NOT. ALL ARE IN AGREEMENT THAT THE PARLIAMENT

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SHALL APPROVE THE TEXT IN THE CONSITUTION.

-- PRACTICALLY ALL THE PARTIES APPEAR TO SUPPORT A CONSTITUTIONAL MODEL WHICH RECALLS MUCH FROM THE U.S.
THE CONSTITUTION WOULD THUS BE QUITE PRESIDENT-CENTERED.
THE PARLIAMENT WOULD, ANYHOW, RECEIVE A STRONGER
POSITION THAN NOW. AMONG OTHER THINGS, IT WOULD
RECEIVE THE RIGHT TO DECIDE ABOUT THE STATE BUDGET,
WHICH LIKE SOME OTHER MATTERS, IS NOW RESERVED TO THE
GOVERNMENT BECAUSE OF THE WAR SITUATION. DISCUSSIONS
ARE CONTINUING ABOUT THE EXTENT TO WHICH THE SUPREME
COURT WOULD RECEIVE A CONSTITUTIONAL COURT STATUS
WHICH THE CORRESPONDING BODY HAS IN THE U.S.

-- IT WAS ESPECIALLY THE REPRESENTATIVE OF THE CONSERVATIVES WHO UNDERSCORED THE IMPORTANCE OF APPROVING THE NEW CONSTITUTION AS SOON AS POSSIBLE. HE EVEN MEANT THAT THE WAR COULD END QUITE QUICKLY AFTER THE NEW CONSTITUTION HAS BEEN ACCEPTED. HE INFORMED THAT HE ALSO REGARDS HIMSELF AS REPRESENTING THOSE RIGHT-WING GROUPS WHICH PLACED THEMSELVES OUTSIDE OF UNCLASSIFIED

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THE ELECTORAL PROCESS RECENTLY -- AND WHICH THEREFORE STAND NEAR THE "CONTRAS." THIS INDICATES A KIND OF SPLIT INSIDE THE PARLIAMENTARY RIGHTIST OPPOSITION, BECAUSE THE SAME RIGHTIST REPRESENTATIVE STRONGLY CONDEMNED THE EXTREME RIGHTIST PARTIES' DECISION TO REFUSE TO PARTICIPATE IN THE ELECTION.

- -- IT CAME OUT IN OUR DISCUSSIONS WITH PARTY REPRESENTATIVES THAT DIFFERENCES OF OPINION AMONG THE PARTIES MOST OF ALL CONCERN INTERNAL POLITICAL DISPUTES.

 PEOPLE DISCUSS THE ECONOMY, POLITICAL RIGHTS, AND THE PROPOSED CONSTITUTION. PEOPLE ARE QUITE UNITED IN THE BASIC INTERNATIONAL QUESTION. THE RIGHTIST REPRESENTATIVE HIMSELF CONDEMNED THE U.S. INTERVENTION IN THE WAR AND UNDERSCORED THE IMPORTANCE OF NEGOTIATIONS.
- -- IN PARLIAMENTARY WORK, THE SANDINISTAS HAVE SUPPORTED A NUMBER OF PROPOSALS FROM BOTH THE RIGHT AND LEFT OPPOSITION. AND THE PARLIAMENTARY SITUATION APPEARS SURPRISINGLY NORMAL FOR A DEVELOPING COUNTRY WHICH IS CARRYING ON A WAR AND WHICH HAS A COMPLETE LACK OF DEMOCRATIC TRADITIONS. WHAT SEEMS TO MOST IRRITATE THE SANDINISTAS' OPPOSITION IS THE GOVERNMENT'S SOMEWHAT "LEFTIST" INTERNATIONAL ORIENTATION. THE SANDINISTAS ARE OBSERVERS IN THE SOCIAL DEMOCRATIC INTERNATIONAL. NOWADAYS THERE ARE RELATIONS TO THE SOVIET UNION WHICH EARLIER WAS AN UNKNOWN QUANTITY IN THE REGION.
- -- IN THE MASS MEDIA AREA IT IS CLEAR THAT NO GREAT ADJUSTMENTS HAVE BEEN MADE. IT IS CLEAR THAT THE WAR SITUATION HAS LED TO A CERTAIN SENSITIVITY VIS-A-VIS THE OPPOSITION PRESS, ESPECIALLY REGARDING INFORMATION UNCLASSIFIED

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WHICH IS CONSIDERED TO BE SENSITIVE FROM THE VIEWPOINT OF SECURITY POLICY. BUT THEN ONE MUST ALSO CONTINUALLY KEEP IN MIND THE FACT THAT THE COUNTRY IS REALLY AT WAR. LAST YEAR, THE COUNTRY LOST 2000 MEN AND ANOTHER 5000 WERE WOUNDED, MANY MORE THAN THE U.S. LOST DURING THE ENTIRE VIETNAM WAR, IN PROPORTION TO POPULATION.

-- THE CHURCH IN NICARAGUA IS A SPECIAL INTERNAL POLITICAL CONFLICT FACTOR. THE ARCHBISHOP IN MANAGUA, NOW CARDINAL IN THE ROMAN CATHOLIC CHURCH, HAS BEEN A CONSISTENT CRITIC OF THE REVOLUTION SINCE 1979. THE NEW POPE IN ROME HAS STRONGLY SUPPORTED THE CARDINAL, WHO MOST RECENTLY HAS COME CLOSER TO THE U.S. AND THE CONTRAS. THE SANDINISTAS FEEL OPEN BITTERNESS TOWARD THE HIGH PRELATE, WHO HAS OBVIOUSLY DECIDED TO SUPPORT VERY CONSERVATIVE SOCIAL SOLUTIONS.

-- THE POLITICAL DEVELOPMENT WE COULD OBSERVE GAVE NO PROOF FOR THE AMERICAN PROPAGANDA ASSERTION THAT NICARAGUA WOULD BE ON THE WAY TO A TOTALITARIAN POLITICAL SYSTEM. IN VIEW OF THE CIRCUMSTANCES, IT APPEARS, QUITE THE CONTRARY, THAT STRIVINGS TOWARD A DEMOCRATIC SYSTEM ARE SURPRISINGLY PERSISTENT. THE CONTINUAL ATTACKS FROM THE U.S.-FINANCED MERCENARIES, THE U.S. ECONOMIC BLOCKADE, AND THE COUNTRY'S POVERTY TOGETHER WITH A COMPLETE LACK OF DEMOCRATIC TRADITIONS COULD EASILY HAVE GIVEN REASON FOR ANOTHER DEVELOPMENT. THE SANDINISTAS HAVE AT LEAST UP TO NOW DISAPPOINTED REAGAN IN THE QUESTION OF EXCUSES FOR THE MILITARY AGGRESSION HE IS FINANCING TODAY.

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"NICARAGUA'S GREATEST PROBLEM IS THE ECONOMY" (FEBRUARY 17, 1986)

-- NICARAGUA'S ECONOMIC POSITION HAS CLEARLY WORSENED DURING THE PAST THREE YEARS. THE COUNTRY BELONGS TO

THE POOREST, AND HAS ONLY THREE MILLION INHABITANTS, OF WHICH HALF ARE UNDER 15 YEARS OLD. PUBLIC AND PRIVATE U.S. GRANTS FINANCE A MERCENARY ARMY OF OVER 10,000 MEN WITH THE MAIN GOAL OF TRYING TO RUIN NICARAGUA'S ECONOMY AND POLITICAL STRUCTURE. THE SANDINISTAS HAVE BEFORE THEM A FORMIDABLE MILITARY AND POLITICAL, BUT PERHAPS MOSTLY ECONOMIC TASK.

-- IT IS DIFFICULT TO MAKE OUT THE REAGAN REGIME'S REAL AIMS WITH THE WAR AGAINST NICARAGUA. AT ANY RATE, IT IS OBVIOUS THAT THEY ARE TRYING TO WEAKEN THE SANDINISTAS' POLITICAL BASE BY HARMING THE ECONOMY OF THE COUNTRY. WITH THAT, THE U.S. HAS DECLARED LAST YEAR AGAINST NICARAGUA AND THE WAR WHICH THE U.S. IS CARRYING OUT IN A DECISIVE WAY HAVE MEANT DIFFICULT ECONOMIC, AND THROUGH THEM, SOCIAL PROBLEMS FOR UNCLASSIFIED

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NICARAGUA'S GOVERNMENT.

- -- THE SOMOZA REGIME LEFT BEHIND A FOREIGN DEBT OF ABOUT 1.6 BILLION DOLLARS. THIS CORRESPONDS TO ABOUT FIVE YEARS EXPORT INCOME. AND THEN ONE SHOULD REALIZE THAT THE DEBTS CAME MOSTLY FROM LOANS FROM PRIVATE AMERICAN BANKS, WHICH ARE IN NO WAY INTERESTED IN THE BORROWER'S SOCIAL INTERESTS. WHAT IS MORE, REAGAN ALREADY IN 1982 STOPPED ALL AMERICAN AID TO NICARAGUA AND HAS SINCE THAT TIME, WITH THE HELP OF ITS DOMINANT ECONOMIC ROLE, SEEN TO IT THAT THE WORLD BANK AND IMF STOPPED THEIR HELP TO NICARAGUA.
- -- SINCE 1982, NICARAGUA HAS BEEN ALL THE MORE DEPENDENT OF BILATERAL DEVELOPMENT AID. ALSO HERE THERE HAVE BEEN DIFFICULTIES AS A RESULT OF PROBLEMS WITH FINANCING THEIR OWN SHARES WHICH MANY PROJECTS REQUIRE. IN THIS CONNECTION, CONTRIBUTIONS FROM COUNTRIES WITH INTERESTS IN BILATERAL SUPPORT HAVE BEEN EMPHASIZED. FOR EXAMPLE, CANADA HAS BEEN SURPRISINGLY ACTIVE, BUT FINLAND'S CONTRIBUTIONS ALSO HAVE BEEN APPRECIATED.
- -- AS WAS SAID, THE WAR HAS CAUSED GREAT ECONOMIC DAMAGE. ACCORDING TO OFFICIAL INFORMATION, 40 PERCENT OF THE STATE'S BUDGET GOES TO DEFENSE. ABOUT 20 PERCENT OF THE LABOR FORCE ARE ENGAGED IN DEFENSE. IT MEANS THAT THE GOVERNMENT HAS BEEN FORCED TO EXTREMELY HARD EFFORTS TO MAINTAIN, NOT TO MENTION WIDEN, THE PUBLIC SERVICES WHICH WERE CARRIED OUT DURING THE FIRST THREE YEARS AFTER THE 1979 REVOLUTION.
- -- THE GOVERNMENT ESTIMATES THAT THE U.S. BOYCOTT MEASURES HAVE LED TO ECONOMIC LOSSES OF APPROXIMATELY UNCLASSIFIED

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700 MILLION DOLLARS. BESIDES THE HUMAN LOSSES, THE WAR HAS MEANT DAMAGES OF 1.5 BILLION DOLLARS, ACCORDING TO THE INFORMATION WE RECEIVED. IT IS OBVIOUS THAT THE COUNTRY FINDS ITSELF IN AN ECONOMIC STRANGLE HOLD.

- -- MILITARILY THE SITUATION IS DIFFERENT. THE "CONTRAS" SEEM TO BE CLEARLY ON THE DECLINE. RECRUITMENT OF NEW SOLDIERS APPEARS SLUGGISH. THERE IS PLENTY OF MONEY, VIA THE U.S., BUT THE POSSIBILITIES FOR POLITICAL SUPPORT INSIDE NICARAGUA HAVE WORSENED RATHER THAN IMPROVED.
- -- MOREOVER, IT APPEARS THAT THE CONTRAS ARE NOT EVEN TRYING TO GET POLITICAL SUPPORT. THEIR MILITARY ACTIVITY CONCENTRATES ON TERRORIST ACTS IN LIGHTLY SETTLED REGIONS, MOST OF ALL AGAINST PUBLIC SERVICES AND THE ECONOMY. VILLAGE TEACHERS AND HEALTH CENTERS, AS WELL AS GRAIN WAREHOUSES APPEAR TO BE THE MAIN TARGET FOR TERRORIST ACTIONS. AROUND 100, ALMOST A QUARTER OF THE COUNTRY'S HEALTH CENTERS, ARE OUT OF COMMISSION BECAUSE OF ATTACKS.
- -- ALREADY THREE YEARS AGO, IT WAS STATED THAT THE CONTRAS HAD CLEAR POLITICAL AIMS. THEY WANTED TO CONQUER AN AREA WITHIN NICARAGUA TO ESTABLISH A "GOVERNMENT" WHICH COULD ASK FOR OFFICIAL INTERNATIONAL AID, IN FACT, MOST OF ALL FROM THE U.S. NOTHING HAS COME FROM THIS AIM. THE "CONTRAS" HAVE BEEN ABLE TO MOUNT EFFECTIVE TERROR RAIDS IN THE NORTHERN REGIONS, BUT THEY HAVE NOT BEEN ABLE TO ACHIEVE A LASTING MILITARY POSITION IN ANY PORTION OF THE COUNTRY.

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- -- THE GOVERNMENT COUNTS ON BEING ABLE TO ACHIEVE A DECISIVE CHANGE IN THE MILITARY SITUATION DURING THE COMING YEAR. VICE PRESIDENT SERGIO RAMIREZ, WITH WHOM WE HAD A LENGTHY DISCUSSION, JUDGED THE SITUATION AS DIFFICULT IN ANY CASE. EVEN IF THE "CONTRAS" COULD BE PUSHED BACK, WHICH HE CONSIDERED LIKELY, THE U.S. POSITION WOULD STILL BE A GREAT PROBLEM. WOULD THE U.S. IN SUCH A CASE GO IN DIRECT, MILITARILY, TO AVOID A POLITICAL HUMILIATION?
- -- FROM RAMIREZ' ANALYSIS ONE JUDGES THAT THE THE SANDINISTAS HAVE NO ABSOLUTE PLANS TO TRY TO DESTROY THE CONTRAS -- FOR POLITICAL REASONS. THEY WANT, IN THIS WAY, TO AVOID AN AMERICAN INVASION. AT THE SAME TIME, THEY ARE CONTINUALLY LOOKING FOR A POLITICAL SOLUTION. THE SO-CALLED CONTADORA GROUP HAS RECEIVED SUPPORT FROM EIGHT COUNTRIES IN LATIN AMERICA. MOREOVER, THE EEC COUNTRIES, AND MANY OTHERS WITH THEM, HAVE PLACED THEMSELVES BEHIND A NEGOTIATED SOLUTION FOR PEACE IN THE ENTIRE REGION. IT ITS UNCLASSIFIED

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POLITICAL ACTIVITY, THE U.S. HAS BECOME QUITE ISOLATED.

- -- AFTER MY LATEST VISIT TO NICARAGUA, THE QUESTION OF HOW THE U.S. BELIEVES IT CAN HANDLE THE SITUATION IN NICARAGUA HAS BECOME TOPICAL. THE REAGAN REGIME HAS OPENLY WRITTEN OFF THE THOUGHT THAT NICARAGUA COULD OPENLY AND FREELY DECIDE ABOUT ITS OWN AFFAIRS. INSTEAD, THE U.S. OBVIOUSLY WANTS TO ESTABLISH IN NICARAGUA A LEADERSHIP WHICH IS DIFFERENT FROM THE ONE WHICH WAS ELECTED IN PUBLIC ELECTIONS, WHICH IS NOW IN POWER.
- -- THE U.S.-FINANCED "CONTRAS" HAVE TODAY OBVIOUSLY A VERY INSIGNIFICANT SUPPORT AMONG THE NICARAGUAN POPULATION. FOR THEY HAVE ALREADY SHOWN THEIR COLORS IN THEIR INDISCRIMINATE TERROR ACTS AND THEIR CONTINUED DEPENDENCE ON THE LEADERSHIP OF SOMOZA'S FEARED NATIONAL GUARD AND THE U.S. AT ANY RATE, THE "CONTRAS" AND THEIR EXTREME RIGHTIST SYMPATHIZERS ARE THE ONLY POLITICAL BASE ON WHICH THE U.S. COULD

BUILD ITS "OWN" GOVERNMENT.

-- MORE UNEQUIVOCABLY THAN DURING THE LAST VISIT I SEE SUPPORT FOR THE DEMOCRATIC PROCESS WHICH IS GOING ON UNDER THE LEADERSHIP OF THE SANDINISTAS AS THE ONLY HOPE FOR NICARAGUA. THE OTHER ALTERNATIVE IS A U.S.-SUPPORTED MILITARY REGIME WITH STRONG SIMILARITIES TO THE DICTATORSHIP WHICH THE PEOPLE'S RISING IN 1979 OVERTHREW. ESPECIALLY AGAINST THAT BACKGROUND, IT IS OF EXTREME IMPORTANCE THAT FINLAND TOO CONTINUE ITS AID TO BUILD UP NICARAGUA'S INDUSTRIAL LIFE AND BASIC SOCIAL SERVICES.

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-- UP TO NOW, FINNISH AID HAS BEEN BOTH EFFECTIVE AND WELL-DIRECTED. THIS YEAR, FINLAND IS EXPECTED TO GIVE 5 MILLION MARKS (ABOUT DOLS 950,000) IN DIRECT AID AND 27 MILLION MARKS (ABOUT DOLS 5.1 MILLION) IN ADVANTAGEOUS LOANS TO NICARAGUA. BESIDES OUR POLITICAL AID, THIS IS OUR MOST CONCRETE METHOD TO SAY OUR VIEWS. HERE WE STILL LAG FAR BEHIND, FOR EXAMPLE, SWEDEN.

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